

CALIFORNIA FRANCHISE TAX BOARD

Legal Ruling No. 324

May 19, 1967

COMMENCING CORPORATION: INCOME OF TRANSFEROR

Syllabus:

The Appeals of Palm Development Co. and Pine Investment Co., Cal. St. Bd. of Equal., decided December 15, 1966, held that income of a commencing corporation for the year in which it dissolved and transferred its assets to its parent corporation, although includible in the measure of franchise tax on the commencing corporation, is not includible in the measure of the franchise tax on the transferee. Inasmuch as these decisions contravene Legal Ruling 200, that legal ruling is hereby withdrawn.